

BLM Bond No.
WY2463 (923k)

JUN 13 1991

John
6/15

DECISION

Obligor:	Cockrell Oil Corporation)	
	1600 Smith Street, Suite 4600)	
	Houston, TX 77002)	
)	Oil & Gas Bond
Financial Institution:	Bank One, Texas N.A.)	
	910 Travis)	
	Houston, TX 77002)	

Statewide Personal Bond and Letter of Credit Accepted

On May 20, 1991, we received \$25,000 Irrevocable Letter of Credit (LOC) No. 12698 issued by the financial institution named above to secure a statewide personal bond for the above obligor. The bond and letter of credit have been examined and found acceptable; therefore, the bond is accepted effective May 20, 1991.

The pledge for the bond is a LOC written by the financial institution named above. The document will be retained by the BLM until all terms and conditions of the lease have been fulfilled or until a satisfactory replacement bond has been accepted, at which time the LOC will be returned to the financial institution.

The LOC will continue indefinitely in the absence of notice from the financial institution of a determination not to renew it; such a notice must be received in this office at least 90 days prior to the original expiration date of May 15, 1992, or the automatic extension dates falling on the same day in subsequent years. A copy of such notice should also be provided to the obligor, who would then be responsible for providing a replacement security to the BLM. Unless the obligor provides a satisfactory replacement bond at least 30 days prior to the then fixed expiration date, BLM will demand that the financial institution pay the full amount of the credit to ensure continuing bond coverage of the obligor. Any such funds thus obtained will be retained, so long as none are required to correct defaults, until the bond is no longer required or until replacement bond coverage is accepted by the BLM.

Because LOC No 12698 states that the credit will not automatically extend beyond May 15, 1996, the financial institution will be expected to notify this office 90 days prior to that date, that is, no later than February 15, 1996, as to whether or not it will extend the LOC for additional time periods beyond May 15, 1996. As discussed in the preceeding paragraph, if the financial institution elects not to renew the LOC, the obligor must furnish a replacement security no later than April 15, 1996, or the bank must pay the full amount of the LOC to BLM.

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The statewide bond will be maintained by this office and should be referenced in all correspondence as BLM Bond No. WY2463. The bond constitutes coverage of all operations, including unit operations, conducted by or on behalf of the obligor on Federal leases in the State of Wyoming. The bond provides coverage of the obligor where that obligor has interest in, and/or responsibility for operations on, leases issued under the authority of any of the Acts cited on the bond form. Please note that federal leases do not include Indian leases.

/s/ BEVERLY J. POTEET

Beverly J. Poteet
Supervisory Land Law Examiner

cc:

Negotiable Securities Custodian, (S. Tokarczyk, SC-615)

TSTEVENS:6/11/91:0232n, pp. 1 & 2

**ZIONS
FIRST NATIONAL BANK**

ESTABLISHED 1873

Trans 15/173
INTERNATIONAL BANKING DEPARTMENT

P.O. Box 30709

Salt Lake City, Utah 84130 U.S.A.

Telephone: 801/524-4916

Telex: 3789475 Answerback: INTBKZIONS SLC

Swift Code: ZFNBUS55

IRREVOCABLE LETTER OF CREDIT

BLM

CHIEF MINERALS ADJUDICATION SECTION

324 SOUTH STATE STREET

SUITE 301

SALT LAKE CITY, UTAH 84111-2303

DATE:

August 31 1990

LETTER OF CREDIT NO.: **Nº 004483**

Gentlemen:

We hereby establish our *Irrevocable Letter of Credit* in your favor for the account of

GARY MOON DBA COYOTE OIL, 3376 SOUTH VERNAL AVENUE, VERNAL, UTAH 84058

up to the aggregate amount of

USD10,000.00

available by your draft(s) drawn at

SIGHT

on Zions First National Bank, Salt Lake City, Utah accompanied by:

A SIGNED STATEMENT CERTIFYING THAT GARY MOON DBA COYOTE OIL HAS FAILED TO PERFORM AS AGREED UNDER THE OIL AND GAS GEOTHERMAL LEASE SERIAL NUMBER V-58226.

* * * * *

Not Acceptable

We hereby agree with drawers, endorsers and bona fide holders that all drafts drawn under and in compliance with the terms of this credit will be duly honored upon presentation and delivery of documents as specified to the drawee if drawn and presented for negotiation on or before ~~SEPTEMBER 1, 1990~~ at our bank.

The Amount and Date of Each Negotiation Must Be Endorsed on the Back Hereof by the Negotiating Bank.

This Credit is Subject to the Uniform Customs and Practice for Documentary Credits

[Signature]
Very Truly Yours,

CR 12 (10-84)6

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ZIONS
FIRST NATIONAL BANK
ESTABLISHED 1873

INTERNATIONAL BANKING DEPARTMENT

P.O. Box 30709
Salt Lake City, Utah 84130 U.S.A.
Telephone: 801/524-4916
Telex: 3789475 Answerback: INTBKZIONS SLC
Swift Code: ZFNBUS55

IRREVOCABLE LETTER OF CREDIT

BLM
CHIEF MINERALS ADJUDICATION SECTION
324 SOUTH STATE STREET
SUITE 301
SALT LAKE CITY, UTAH 84111-2303

DATE: OCTOBER 09, 1990

LETTER OF CREDIT NO. **Nº 004537**

Gentlemen:

We hereby establish our *Irrevocable Letter of Credit* in your favor for the account of

GARY MOON DBA COYOTE OIL, 3376 SOUTH VERNAL AVENUE, VERNAL, UTAH 84057

up to the aggregate amount of USD 10,000.00

available by your draft(s) drawn at SIGHT

on Zions First National Bank, Salt Lake City, Utah accompanied by

RECEIVED
UTAH STATE OFFICE
90 OCT 15 AM 11:01
DEPT OF INTERIOR
BUREAU OF LAND MANAGEMENT

A STATEMENT SIGNED BY AN AUTHORIZED OFFICER OF THE BLM TO THE EFFECT THAT GARY MOON DBA COYOTE OIL HAS BEEN DETERMINED TO BE IN DEFAULT AND THE AMOUNT DRAWN REPRESENTS THE REASONABLE AMOUNT AS DETERMINED BY BLM OF SUCH DEFAULT.

THIS CREDIT WILL AUTOMATICALLY BE EXTENDED FOR PERIODS OF ONE YEAR FROM SCHEDULED EXPIRATION DATE, AS ORIGINALLY SCHEDULED OR AS AUTOMATICALLY EXTENDED BY THIS PROVISION, UNLESS 90 DAYS PRIOR TO SUCH DATE, WE NOTIFY THE BLM OFFICE ORIGINALLY ACCEPTING THIS LETTER BY CERTIFIED MAIL-RETURN RECEIPT REQUESTED, THAT WE ELECT NOT TO RENEW THIS LETTER FOR SUCH ADDITIONAL PERIOD.

UPON RECEIPT BY THE BLM OF SUCH A NOTICE FROM US NOT TO RENEW THIS LETTER, BLM MAY DRAW ON US AT SIGHT FOR UP TO THE AMOUNT OF THIS LETTER OF CREDIT, PRIOR TO THE EXPIRATION THEREOF, PROVIDED THAT SUCH DRAFT IS ACCOMPANIED BY A STATEMENT SIGNED BY AN AUTHORIZED OFFICER OF THE BLM TO THE EFFECT THAT NO SATISFACTORY REPLACEMENT BOND HAS BEEN PROVIDED BY GARY MOON DBA COYOTE OIL PRIOR TO 30 DAYS BEFORE THIS LETTER OF CREDIT EXPIRES, PURSUANT TO 43 CFR 3104.1(c)(5)(ii).

Acceptable

We hereby agree with drawers, endorsers and bona fide holders that all drafts drawn under and in compliance with the terms of this credit will be duly honored upon presentation and delivery of documents as specified to the drawee if drawn and presented for negotiation on or before **OCTOBER 01, 1991*** at our bank.

*OR ANY AUTOMATICALLY EXTENDED DATE, AS HEREINBEFORE SET FORTH

The Amount and Date of Each Negotiation Must Be Endorsed on the Back Hereof by the Negotiating Bank.

*This Credit is Subject to the Uniform Customs and Practice for Documentary Credits, 1990 Edition, published by the International Chamber of Commerce (ICC).

Very Truly Yours,